

Message Text

UNCLASSIFIED

PAGE 01 LONDON 07626 091713Z

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-05 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00 L-03
SS-15 NSC-05 PA-02 USIA-15 PRS-01 SP-02 /077 W
-----100307Z 098496 /73

R 091705Z MAY 77

FM AMEMBASSY LONDON
TO SECSTATE WASHDC 3660
INFO AMEMBASSY OTTAWA

UNCLAS LONDON 07626

E.O. 11652: N/A

TAGS: EAIR. UK

SUBJECT: CIVAIR: US/UK RENEGOTIATION OF THE BERMUDA
AGREEMENT

1. SUNDAY TIMES MAY 8 CARRIED ARTICLE HEADED "BRITAIN IN DOGFIGHT OVER THE ATLANTIC" DESCRIBING STATUS AND ISSUES OF BERMUDA RENEGOTIATIONS. REPORT OPENS WITH STATEMENT THAT UK HAS DISCUSSED EMERGENCY PLANS WITH CANADA TO FLY US BOUND PASSENGERS THROUGH CANADIAN AIRPORTS SHOULD US/UK NEGOTIATIONS TO RENEW THE BERMUDA AGREEMENT FAIL AND US/UK FLIGHTS ARE SUSPENDED. WHILE UK NEGOTIATORS HOPE TO SECURE A NEW AGREEMENT BEFORE THE JUNE 22 CUT-OFF DATE, IN VIEW OF FACT UK STANDS TO GAIN 58 MILLION POUNDS BALANCE OF PAYMENTS BENEFIT FROM A RENEGOTIATED AGREEMENT, THEY ARE PREPARED, THE ARTICLE STATES, TO "... COUNTENANCE WHAT THEY DESCRIBE AS THE UNTHINKABLE, THE COMPLETE DISRUPTION OF SCHEDULED TRANSATLANTIC FLIGHTS." WITH FIRM POLITICAL SUPPORT FROM THE PRIME MINISTER, THE NEGOTIATORS ARE "... PREPARED TO GO TO THE BRINK AND BEYOND."

2. THE SUNDAY TIMES REPORT GOES INTO THE BACKGROUND OF THE ISSUES WHICH LED TO UK TERMINATION OF BERMUDA, AND
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 07626 091713Z

LISTS THE STAKES FOR BOTH SIDES; PRECEDENT WHICH NEW AGREEMENT ON UK TERMS WOULD SET FOR US IN NEGOTIATIONS WITH OTHER AVIATION PARTNERS; US FIFTH FREEDOM EARNINGS; INEQUALITY OF EARNINGS BETWEEN US AND UK CARRIERS; CAPACITY PROBLEM.

3. FINALLY THERE IS A REPORT OF THE STATUS OF THE TALKS

AS OF THE COMPLETION OF THE LAST ROUND. AGREEMENT ON BERMUDA ROUTES AND SOME TECHNICAL ISSUES IS NOTED. HOWEVER, NEITHER SIDE HAS GIVEN AN INCH ON THE PACIFIC OR HONG KONG. IN ADDITION, THE US IS CHARACTERIZED AS NOT BEING GENEROUS ON CARIBBEAN RIGHTS. IN FACT, THE UK IS REPORTED AS SAYING THE US IS BEING UNNECESSARILY MEAN IN REFUSING TO HELP THE TINY, OFTEN POOR THIRD WORLD COUNTRIES OF THE CARIBBEAN TO IMPROVE THEIR TOURISM AND AVIATION EARNINGS.

4. THE MAJOR UNRESOLVED ISSUE IS CAPACITY ACCORDING TO THE REPORT. THE US HAS GRUDGINGLY ACCEPTED THE UK'S POSITION ON DESIGNATION. HOWEVER. WITH THE US INSISTING THAT THERE BE AN EXCEPTION FOR THE NEW YORK AND LOS ANGELES MARKETS, THIS IS LESS OF A CONCESSION THAN IT APPEARS.

5. THE REPORT CONCLUDES IN THE NEXT FEW WEEKS THIS "AERIAL POKER-GAME" COULD GET OUT OF HAND. IF US BOUND PASSENGERS HAD TO FLY VIA CANADA, IT WOULD INCONVENIENCE MANY BUT THE POTENTIAL GAINS FOR THE BRITISH ARE SUBSTANTIAL.

SPIERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, AIR ROUTES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON07626
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770163-0650
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770579/aaaacqgd.tel
Line Count: 86
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3b7a4698-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2597763
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: US/UK RENEGOTIATION OF THE BERMUDA AGREEMENT
TAGS: EAIR, UK, CA, US, BD
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/3b7a4698-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009